

EXHIBIT 41

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK : PART 61

-----x
PACIFIC ALLIANCE ASIA OPPORTUNITY FUND L.P.,

Plaintiffs,

-against-

Index No.
652077-17

KWOK HO WAN, a/k/a KWOK HO, a/k/a GWO WEN GUI,
a/k/a GUO WENGUI, a/k/a GUO WEN GUI, a/k/a WAN GUE
HAOYUN, a/k/a MILES KWOK, a/k/a HAOYUN GUO,

Defendants.
-----x

March 8, 2019
60 Centre Street
New York, New York

BEFORE: HON. BARRY OSTRAGER
Supreme Court Justice

APPEARANCES:

Attorney for Plaintiff
O'MELVENY & MYERS LLP
7 Times Square Tower
New York, NY 10036
BY: EDWARD MOSS, ESQ.
STUART SARNOFF, ESQ.

Attorney For Defendant
HODGSON RUSS
605 Third Avenue
New York, NY 10158
BY: MARK A. HARMON, ESQ.
JULLIAN MARIE SEARLES, ESQ.

JACQUELINE CAMPBELL
Senior Court Reporter

2

1 Proceedings

2 THE COURT: The court issued a decision
3 June 28th, 2018. The last paragraph of the
4 decision states "that while Pacific Alliance
5 Asia Opportunity fund fails to meet the heavy
6 burden for an for attachment, the court believes
7 that discovery, which may now proceed, may shed
8 light on Genever and/or Kwok's purported
9 fraudulent intent in purchasing and attempting to
10 seel to Residence to avoid enforcement of a
11 judgment in this action.

12 Plaintiff may renew its motion if, and when
13 discovery provides evidence of Genever and/or
14 Kwok's intent, as well as a basis for a veil
15 piercing claim by which to attach Genever's
16 property. Plaintiff may also attempt to preserve
17 the status quo by amending its complaint to add
18 other parties and seeking a preliminary injunction
19 enjoining the sale of the Residence, assuming
20 Plaintiff establish the basis for such relief.
21 So now I have a renewed motion for a prejudgment
22 order of attachment. I'll hear you.

23 MR. MOSS: Thank you, your Honor. Your
24 Honor, I have a packet. May I approach?

25 MR. HARMON: I just saw this. I have no

3

1 Proceedings

2 idea what's in it.

3 THE COURT: I'm assuming there is
4 nothing in the packet that is other than summary
5 of the arguments that are contained in the
6 breaching.

7 MR. HARMON: That's correct, your Honor.
8 Everything is cited to our briefs or to the cases
9 that we cited.

10 THE COURT: It's demonstrative.

11 MR. HARMON: I'm also all in favor with
12 anything that assists your Honor in deciding it.
13 I'm simply noting that I haven't had a chance to
14 see this and I don't know what's in it.

15 THE COURT: That's noted, but on the
16 basis of counsel's representation that there is
17 nothing in this packet other than what's in the
18 somewhat voluminous motion papers, I'm going to
19 avail myself of the opportunity to seek his
20 demonstrative.

21 MR. HARMON: Understood, your Honor.

22 MR. MOSS: Thank you, your Honor. Good
23 morning. You read from the court's order so we
24 could skip to slide two of my demonstrative
25 because we started with the court's order. You're

1 Proceedings

2 correct, your Honor, we're back. We have taken
3 the discovery that your Honor ordered us to take
4 and it would be an understatement to say that the
5 discovery was fruitful. We now have more than
6 enough evidence that we need to prove the two
7 things that we need to prove. And I'd like to
8 start with the standard and that is on page two.
9 The first thing we need to prove is CPLR 62013
10 grounds for attachment that Mr. Kwok would be
11 attempting to defraud his creditors or frustrate
12 the enforcement of the judgment that might be
13 rendered in our favor, as assigned, disposed of,
14 encumbered or secreted property, or is about to
15 remove it from the state, or is about to do any of
16 these acts.

17 First, on the assigned, disposed of,
18 encumbered or secreted. This is clear. He's tried
19 hard. He's continuing to try hard to sell the
20 residence. What we learned in discovery is that
21 he tried to assign it to a trust in his son's
22 name. He tried to assign one of the holding
23 companies to a trust in his son's name. That's
24 one of the pieces of new evidence that we learned
25 and I'll walk through that. He's encumbered not

5

1 Proceedings

2 once but twice he's pled to this in this residency
3 including during the pendency of this lawsuit.
4 The people who said in papers are third party, we
5 don't know are third parties because he didn't
6 tell us anything about the pledges in discovery.
7 So the focus will be on the intent prong and
8 whether or not Mr. Kwok intends to frustrate the
9 enforcement of a judgment. We're not required to
10 show intent to defraud. We're required to show
11 intent to the frustrate the enforcement and we
12 have that evidence.

13 In terms of what the cases say, your Honor,
14 these are all cases cited in our brief page 3 of
15 the deck. Fraud must ordinarily be inferred from
16 the circumstances. Mr. Kwok is not gonna raise
17 his hand and say I'm about to commit fraud. You
18 have to infer it from circumstantial evidence.

19 Secrecy in asset transfers is one of the
20 things that courts look at. We have that here.
21 The pattern of conduct after incurring the debt.
22 I'll walk briefly through a time line. We have
23 that here today.

24 Evasiveness in court proceedings. That is
25 Coley v. Vannguard. In that case they looked at

6

1 Proceedings

2 the failure to produce evidence testimony that is
3 contradictory and incoherent. Here we have that
4 We have that base. We have a bogus affidavit that
5 was submitted to the court from someone with zero
6 personal knowledge of anything she said on the
7 last topic motion. I'll walk through that as well
8 and a lack of other assets in the jurisdiction.
9 That's not contested and as the court knows he has
10 mounting debt in this jurisdiction including to
11 the Boies Schiller firm which was his former
12 counsel in this case.

13 In terms of the second thing we are going to
14 pierce the veil, that is line 4. And that's abuse
15 of the privilege. As your Honor knows of doing
16 business in the corporate forum, to perpetrate a
17 wrong or injustice on the complaining party. And
18 the Baby Phat case in our papers says there is a
19 discretion. There are no definitive rules. This
20 is a fact specific inquiry. And again as with the
21 CPLR, wrongdoing does not necessarily require
22 fraud. Claims of inequity or malfeasance will
23 also suffice. One of the things courts look at is
24 the failure to observe corporate formalities.
25 Failure to capitalize a shell company. Here he

7

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Proceedings

formed two shell companies to buy their apartment. He didn't capitalize them. The money didn't come from the shell companies to buy the apartment. The money came from somewhere else. Using a shell company to shield yourself from liability when you know a debt is gonna become owed, especially a foreign shell company, that's important because in the Sweeney versus Kane case cited on page 24 of our opening brief and summerized on slide 5. In Sweeney versus Kane there were New York defendants who owed a debt, and right before they knew they were going to have to pay, they formed a Florida corporation to buy a house in the Hamptons. So they were New York residents like Mr. Kwok. They formed a foreign corporation by like Mr. Kwok. There was a foreign corp. Here it was a BVI LLC to purchase and shield real estate in New York City. The court applied -- in New York State. The court applied Florida law, but it noted that Florida law and New York are same in terms of requiring that additional element fraud and malfeasance with respect to the plaintiff. In order to prove notice. And there it was just like here because they did reversal. They were holding the

8

1 Proceedings

2 corporation liable for the debts of the
3 individual. And what the court concluded therein,
4 that on the timing and structure of bringing that
5 in through the back door, defendants utterly
6 dominated the shell and they formed it to
7 protected assets from plaintiff creditors such as
8 the plaintiffs thereby in effect defrauding them.

9 So I'll now move onto the new evidence that
10 was uncovered since the last time we were here
11 that enables us to us meet both of these
12 standards. Slide 6 I have snipped this because it
13 was very striking to me, your Honor. They
14 featured this argument in the preliminary
15 statement that PAX have failed to uncover any new
16 evidence. Well, they can only say that by
17 completely ignoring the new evidence because in
18 reality plaintiff's evidence it's significant. It
19 goes right to the heart of these standards and
20 it's irrefutable and the way you know that it's
21 irrefutable, they didn't even trust in their
22 papers, they didn't even trust. They said well we
23 don't think it's relevant. We think this is a
24 clear ending. I'm going to explain why it's
25 precisely relevant. Your Honor, in the deck we

1 Proceedings

2 also have a handout. It's a time line. I don't
3 know if you have a copy of it. It's inserted into
4 the paper that I handed you. I think I included
5 it in the packet.

6 THE COURT: Have you seen this?

7 MR. HARMON: Not before right now, your
8 Honor.

9 THE COURT: All right. I think you gave
10 me this already.

11 MR. MOSS: I think I did. This is two
12 documents stapled together. The first page if you
13 open it up, the first page has all black ink.
14 That was a time line that I walked you through
15 last time when we didn't have the benefit of
16 discovery based mostly on publicly available
17 information. They say we don't have any new
18 evidence. If you would turn to the second page
19 it's essentially a red line of all the new
20 evidence that has been uncovered since the last
21 time we were here. All the new evidence and
22 developments in the case. On the back side of
23 that paper we anticipated there might be an
24 objection. We cited where all of this evidence
25 comes from. It comes from our briefs and

10

1 Proceedings

2 everything that's before the court. So slide 7 of
3 the deck summarized this new evidence I'm not
4 going to go through it all. It's all on papers.
5 I would just like to talk about some of the most
6 salient new evidence here. And I'll start with
7 the background.

8 The parties entered into the loan agreement.
9 We lent Mr. Kwok from Shiny Time's money in 2011.
10 He missed the repayment deadline. We tried to
11 settle it. He said I'll give you three apartments
12 I own in Beijing. We said okay we'll take the
13 three apartments. There were preconditions. He
14 had to give us title to the apartment. He had to
15 tell us that the apartments were unencumbered,
16 that there weren't any liens on it. He missed
17 some deadlines to satisfy the conditions three
18 times and we kept extending it to try to work this
19 out three times. Then we get to January and
20 February of 2015 on the time line. Mr. Kwok's
21 assets were seized by the Chinese government and
22 he had flees to New York. The assets that are
23 seized include these three apartments. Right
24 after he knows that the assets have been seized
25 and he's never gonna able to satisfactory the

11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Proceedings

conditions, he negotiates one last settlement extension, February 10th, 2014, that gives him until June to satisfy these conditions he's never going to be able to satisfy. What does he do? Then he tries to shield the money. Three days later he forms these two Genever entities, a New York entity, a BVI entity. He fails to capitalize either one and he uses efforts, to wit, to buy the shedding of those apartments, 67.5 million dollars. Precise exactly the amount that he owed us at the time. He needs board approval and this is new information. He needs board approval. We learned about the failure to capitalize and the board approval process. He obtained it fraudulent by showing assets of Chinese companies to the board that he said he owned, but he didn't own. He recommended in writing through Paul Weiss and through Williams and Connelly. I'm sure he told them that he owned the company, but he didn't. He told me in his deposition not only did he not own these companies but one of the companies who is very sizable balance sheet he showed to the Sherry Netherlands, he said maybe I knew those assets had already been seized by the Chinese government.

12

1 Proceedings

2 Not only does he obtain the apartment through
3 false pretenses, he pressured the board to do it
4 quickly. I give them three days between signing
5 and closing the Sherry Netherlands tells us this
6 is something unprecedented. He didn't understand
7 why there was such a harness. There was such a
8 harness because he wanted to get this money parked
9 somewhere. What he does there are a few things to
10 know. First, he used a two holding company
11 structure. He buys it through New York LLC and
12 then has a BVI LLC on top of that. The purpose of
13 that is using foreign corporation like Sweeney to
14 shield it. The witness at the Sherry Netherlands
15 that's been in this industry for decades, said he
16 has never seen two holding companies like this
17 before.

18 Second, I've already covered that the money
19 doesn't come even from the shell companies. The
20 money comes from somewhere else. Third, this one
21 is significant. He all but admitted at his
22 deposition that the money he used to the buy this
23 apartment through this Genever entity came from
24 Shiny Times that we lent money to. He said that
25 Shiny Times and Genever had quote a representative

13

1

Proceedings

2

relationship and he volunteered this part. I

3

didn't ask him about real estate or houses or

4

home. He said like when you purchase a house

5

there will be some meeting on behalf. After a

6

break he came back in and said I have a

7

clarification to make. I didn't think you were

8

talking about Shiny Times. I thought you had said

9

Hong Kong International. I don't know what Hong

10

Kong International is. That's an entity never

11

been part of this case. I never heard it before.

12

He told the truth during deposition on that point

13

and made a strategic decision and he came back in

14

and cleaned it up. More new evidence, a couple of

15

more points on the new evidence. June 2016 he

16

drops the price of the apartment. He dropped the

17

price of the apartment a few months after we had

18

chased him to the BVI and had China Times

19

liquidated in the BVI. Not only did he drop the

20

price of the apartment, he also attempted to

21

transfer it into a trust in his son's name. He

22

was inquiring about putting the holding company

23

into trust in his son's name. He was doing that

24

in order to try to shield the apartment. Why else

25

do you drop the price to try hard to sell it, at

14

1 Proceedings

2 the same time try to gift it to your son and all
3 at the same time while it's pledged to some third
4 party. He has playing games with this apartment
5 in order to shield it from creditors when he has
6 known that his debt was due to us. There is also
7 a host of misrepresentations that go to the heart
8 of that piercing and the heart of the standard.
9 During this lawsuit they say all this stuff about
10 the lawsuit is irrelevant, not because he new his
11 debt was due. If we want to focus on what
12 happened during the lawsuit, we could focus on
13 what happened during the lawsuit, because there is
14 some egregious things that have happened during
15 the lawsuit that I would like to briefly go into.

16 Slide 8 Mr. Kwok in his deposition denied the
17 very existence of the debt. In prior papers he's
18 made the argument that while I satisfied the
19 settlement conditions so I don't owe the money.
20 Here he made something up new in his deposition.
21 Slide 8, "I never signed the 30 million agreement.
22 The money was never given to us." On the left
23 hand side you'll see that's his signature in
24 Chinese. On the document that says the borrower
25 did receive the 30 million dollars principal

15

Proceedings

1
2 amount of the original facility. The fact that
3 Mr. Kwok made this argument up and now says there
4 wasn't even a debt shows that he thinks it's a
5 game to him your Honor, he's not gonna play by the
6 rules. He told me that at his deposition. Slide
7 9 I asked him what I thought was a pretty straight
8 forward question. "Were why your text messages
9 searched in connection with this litigation?"
10 You'll see the quote on slide 9. His answer was
11 "he thinks it's a crazy case. I think this is
12 just scamming. I think you guys are a bunch of
13 thugs. I think you are just mafia. You working
14 for the communists." And he doesn't need to pay
15 any attention to this case at all. That was his
16 response about text messages. And then I figured
17 he's living in this country he is seeking asylum.
18 He's availing himself of the laws. He uses these
19 courts all the time. He's gonna pay a judgment,
20 if the court enters a judgment. I took a little
21 bit of a risk I asked him. I said this is slide
22 10. "I know you've testified Mr. Kwok a lot about
23 how you think that this is an illegitimate
24 lawsuit." But if the court finds for our client,
25 if the court finds for our client and orders you

16

1 Proceedings

2 to pay, will you pay. They instructed him not to
3 answer the question. They said it was beyond the
4 scope of discovery on the attachment motion. We
5 were seeking discovery to try to figure out if the
6 Mr. Kwok would intend to frustrate a judgment as
7 those words are used in the CPLR. I asked him if
8 he intended to frustrate his judgement and they
9 wouldn't let him answer the question.

10 Your Honor, and then on slide 12 there is
11 more -- excuse me, slide 11 you have had an order
12 in this case that he has to inform us of any
13 contract for sale. I asked him will you abide by
14 that order. They didn't let him answer that
15 question either. They said that that was outside
16 the scope of discovery. Whether he'll abide by an
17 order the court issued in the context of an
18 attachment motion was outside the scope of
19 discovery on the attachment motion. Slide 12
20 these are some of the misrepresentations to this
21 court during this lawsuit about the apartment and
22 about the holding company structure which goes to
23 veil piercing. Slide 12 this is the Wang
24 affidavit that they had submitted from his
25 employee, Mr. Kwok's employee. I'll get to Ms.

17

1 Proceedings

2 Wang a little bit later, but she testifies at the
3 top left of the slide 12 about Mr. Kwok's
4 ownership interest in the apartment. She goes
5 chapter and verse this is how he owns the
6 apartment through these shares and then you'll see
7 at his deposition I asked do you own the apartment
8 at Sherry Netherlands. He said no. At the top
9 right Ms. Wang testified to this court in her
10 affidavit that Mr. Kwok is a the sole shareholder
11 of Genever BVI. I asked him if he had controlled
12 Genever BVI in his deposition. He said of course
13 I don't control it. Slide 13 and 14 are
14 misrepresentations to this court on this motion
15 and the last attachment motion about the pledges
16 and the reason the pledges are so important is
17 because this was their argument on the last
18 motion. If the court will recall, we filed an
19 attachment motion. They said you can't,
20 attachment judge, the apartment has been pledged
21 to somebody else. And we learned by doing some
22 digging after that and by taking these depositions
23 that they made misrepresentations to you about the
24 pledge. And it was the pledge of the assets of
25 Genever. They pledged the assets of Genever

18

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Proceedings

meaning they were making misrepresentations about the court performed. Slide 13, we were having an argument about whether the lien was intact. Mr. Harmon held up the British Virgin island filing, he said just so your Honor knows that the lien is still in effect today. He told you on June 27th, 2018. Well it wasn't. We found the document after the hearing. That second pledge had been released on June 12th, 2018. He told you about the pledge being put on but not about it being released. And this is the BVI filing that he wanted you to look at. Slide 14, they make the argument since May of 2015 the apartment has been pledged. No, it was pledged in May 2015, but that pledge was released in March of 2017 a year before they told you it was still pledged. It wasn't even still pledged. Now, I just want to talk quickly about the affidavit. This is the affidavit that they put in. It was the centerpiece of their motion to their opposition to the last attachment motion. This was their factual support. Ms. Wang testified in her affidavit that she was an administrator for Mr. Kwok's interest. I deposed her. She was his

19

1 Proceedings

2 translator. She didn't know anything about the
3 business at all. And she made all of these sworn
4 statements to this court relevant to the
5 attachment motion about the business and she knew
6 nothing about it. Slide 15, she talked about his
7 ownership interest in the apartment in a filing
8 submitted to this court. I asked her you don't
9 know who owns this apartment, and you don't know
10 who owns Genever, right? She said right. That's
11 slide 16. Slide 16 she makes all these
12 representations about which Genever entity owns
13 the other one. She attaches what appears as a
14 true and correct copy of corporate documents. I
15 asked her at deposition, you don't know who owns
16 either of these entities. I don't know. You've
17 never even seen documents relating to these
18 corporations, right? I've never seen them. Even
19 though she attaches what she said are true and
20 correct copies.

21 Slide 17, this is important because they
22 don't like our argument that the funds that we
23 gave them were actually the funds that went into
24 the apartment. And they try to oppose that trap.
25 They said "the funds used to purchase the

20

1

Proceedings

2

apartment came from family and third-party funding

3

unrelated to the loan at issue in this action."

4

She swore to the court she knew where the money

5

came from. She swore in her deposition she had no

6

idea where the money came from and that nobody

7

ever told her. Slide 18 the other center piece of

8

this argument last time, it's pledged so you can't

9

do anything with it, your Honor. This was their

10

sole evidence on the pledge, their sole witness on

11

the pledge. She talked about the apartment being

12

pledged, the shares being pledged on slide 18.

13

And I asked her at her deposition, you don't have

14

any knowledge of any pledges, right? You're

15

right. And you've never seen any documents,

16

right? Right. These were the same documents that

17

she attached to her affidavit as true and correct

18

copies, she had never seen them before. So I'd

19

just like to summarize on slide 19, your Honor, I

20

know we spent a lot of time last time on veil

21

piercing. And I just want to summerize our

22

evidence on veil piercing. He formed two Genever

23

entities to shield the residence from creditors

24

when he knew the debt was due to us. He failed to

25

capitalize either of these. He used false

21

1

Proceedings

2

information to convince Sherry-Netherland to

3

approve the purchase when he knew the debt was due

4

and owing to us. He used an unprecedented

5

structure, two different LLC's, one of them being

6

foreign entity to protect the residence. He

7

likely used the Shiny Times money as he testified

8

from PAX LP to buy the residence. He

9

misrepresented to this court the status of the

10

pledges of the Genever entities and submitted a

11

phony affidavit that made representations about

12

the Genever entities from somebody who had

13

absolutely no personal knowledge of what she was

14

talking about.

15

We submit, based on all of this, while we

16

fairly failed to meet the standard last time,

17

we've met the standard now.

18

Your Honor, this is a discretionary remedy

19

meant to promote fairness and it would be

20

fundamentally unfair to allow Mr. Kwok to make

21

himself judgment proof from a debt he clearly owes

22

and has been evading from us for such a long time.

23

Thank you, your Honor.

24

MR. HARMON: -- thank you, your Honor.

25

Mark Harmon for the Defendant. I think I will be

22

1

Proceedings

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

brief and then I will be happy to address any questions you have for me. I feel like we're going down the same road that we've been before. This question of whether or not the purchase of the Sherry apartment of the Sherry Netherlands is an attempt to defraud PAX the creditor and the first point clearly is I think just in a practical level the money to buy the apartment came from an entity in Hong Kong called Bravo Luck. That's what the proof shows. In fact, no money was ever loaned to Shiny Times. Shiny Times assumed the debt of another entity. So Shiny Times never got the loan. Shiny Times assumed the debt of another entity. There is no evidence that any of the money that was used to purchase this apartment came from the plaintiff. Certainly the plaintiff is in a position to know to whom they gave money and when. And that evidence is not before your Honor. They have created this scenario where they argue that because Mr. Kwok brought an expensive apartment in the City of New York and has put it on the market for sale, that that constitutes an attempt to defraud the creditors. And they talk about secreting assets, that a hallmark of the

23

1 Proceedings

2 claim is when you're being secretive and secreting
3 assets. What could be more public then putting 65
4 million dollars of money from Hong Kong in a
5 luxury apartment, high profile luxury apartment in
6 New York City for everybody to see? It wasn't a
7 mystery. Nobody tried to conceal that. The money
8 was used to buy the apartment. Now, they talk
9 about the Sherry Netherlands being asked to
10 hastily approve the purchase as evidence that
11 something was amiss here. The Sherry Netherlands
12 is one of the premiere cooperative buildings in
13 the City of New York. Its board of directors is
14 made up of people who are the bastions of the City
15 of New York. It is inconceivable that that board
16 was pressured by Mr. Kwok to do something they
17 didn't want to do. They put in -- they put in all
18 their evidence that was asked for by the coop
19 board and they asked the coop board to act
20 quickly, and they did and the purchase was
21 approved. And the property is still owned by the
22 entity that purchased it.

23 Now, I think it's untort, your Honor, that
24 for months prior to the issuance of this court's
25 order PAX has been communicating with the Sherry

24

1 Proceedings

2 Netherlands to let them know what's going on and
3 obtain their assistance. And I'm sorry that the
4 manager Mr. Allman of the Sherry Netherlands is
5 unhappy and dissatisfied that the board decided to
6 allow purchase of the apartment by Genever, but
7 the board approved that and the apartment is still
8 owned there and Mr. Allman conceded that more than
9 50 percent of the owners of the apartments at
10 Sherry Netherlands owned through a corporate
11 forum. So there is nothing unique about what Mr.
12 Kwok did, what the defendant did. The money,
13 there is no evidence at all that ties any of the
14 money that was loaned to any entity by the
15 plaintiff to this apartment, that it was borrowed
16 and then put into the apartment and back.
17 Whatever loans they say were made were made years
18 before the purchase of the apartment.

19 They talk about the attempt to put the
20 apartment in their son's name. Yes, as Mr. Moss
21 said, an inquiry was made. Somebody inquired of
22 the Sherry Netherlands what would it take to
23 change the ownership of the apartment to our son.
24 And when the Sherry Netherlands responded and said
25 essentially what had to happen they abandoned it.

25

1 Proceedings

2 This was that simple. They asked a question.
3 They got an answer. They abandoned it. The
4 pledge. Your Honor at the last hearing we had
5 raised a question of whether or not the existence
6 of a pledge impacted the decision of the court to
7 issue an attachment. And your Honor said well
8 that's a matter of priority and we agreed. We
9 agreed it's a question of priority. That is the
10 only issue with the pledge. Now, I think we all
11 agree there are no pledges on this apartment. So
12 I understand your Honor's reticence about a
13 Chinese dissident, a Chinese national dissident
14 coming to the United States and trying to avoid
15 judgements that the court may enter by taking
16 money that's in this country and removing it from
17 the country. I may not agree with your Honor
18 about this, but I understand the reticence that
19 the court has. But your Honor fashioned a remedy
20 for the plaintiffs that the plaintiff didn't even
21 ask for. You granted an order. You entered an
22 order that required Mr. Kwok, Genever, whoever
23 owns the apartment, it's titled in Genever, to
24 notify the plaintiff if he entered into a contract
25 of sale. And so that they could then take action

26

1 Proceedings

2 to protection themselves. Your Honor suggested to
3 them that they amend their complaint add the
4 proper party and seek a preliminary injunction.
5 And they didn't do that. I have to ask so it's a
6 year now almost a year since we were since they
7 made their second attachment motion, more than a
8 year since we answered the complaint and we still
9 haven't gotten to merit discovery on this case.
10 It's still all about securing the judgment that
11 they don't have, that they if they are right that
12 it's that straightforward, that we could have just
13 done merit discovery, gotten to the issues,
14 entered a judgment and they could execute on the
15 judgment. We haven't done that and it's dead. We
16 spent all this times trying to attach a piece of
17 property that your Honor has already fashioned a
18 remedy for to protect them. And there is whatever
19 evidence they say they've obtained in the post
20 order discovery, whatever that is, whatever that
21 is, it doesn't go to the questions that your Honor
22 presented. Can you show me that the money that
23 was used to buy the apartment was money that came
24 from the plaintiffs? Can you show that the
25 attempts to put the apartment on the market

27

1 Proceedings

2 constitutes and demonstrates an attempt to defraud

3 the plaintiff? You know, your Honor, it's a coop

4 in the city of New York. There is no way that the

5 Sherry Netherlands is going to approve a new

6 purchaser without going through the entire process

7 and now the Sherry Netherlands is on notice that

8 there is an order in place because the plaintiffs

9 made sure of that. Nothing wrong with letting the

10 Sherry know once we the order is entered in, but

11 there has been countless discussion and

12 cooperation between counsel for the Sherry and

13 counsel for PAX. It is inconceivable that your

14 Honor's order would ever be ignored, could be

15 ignored, given the logistics of how a cooperative

16 apartment gets sold. I say as a practical matter

17 the very notion that buying a high profile

18 apartment in New York is an effort to secret and

19 hide assets is just anathema to me. Your Honor, I

20 think we're in the same place we were before when

21 your Honor issued the first order. That order is

22 in place. It protects the plaintiffs fully.

23 Nothing has happened since that order was entered

24 to change the dynamic of where we are. We should

25 get to merit discovery and get this case resolved.

28

1 Proceedings

2 And I'm happy to answer any questions you have.

3 MR. MOSS: Just briefly, your Honor.

4 THE COURT: Very briefly.

5 MR. MOSS: Very briefly. A few points.

6 No evidence that the money came from us. He
7 testified at his deposition that there was a
8 representative relationship between Shiny Times
9 and Genever, like when you buy a house there is an
10 agent. So that's the evidence. It's not my
11 evidence. He said it at his deposition. In terms
12 of the notice order that's out right now, we
13 understood that that would be an interim order
14 first of all. Second of all, he didn't even say
15 that he would abide by it Mr. Kwok. I asked him
16 in deposition if he would abide by it. They
17 instructed him not to answer that he would abide
18 by it.

19 THE COURT: Your adversary's point is
20 well taken. Sherry Netherlands is on notice of
21 the order. There is not going to be any transfer
22 of the apartment without you getting notice. And
23 I don't think that the Sherry Netherlands is going
24 to transfer the apartment any way without
25 acquiescence by the court.

29

1 Proceedings

2 MR. MOSS: Well, your Honor, the
3 transfer the apartment is only one part of the
4 problem. He have could transfer the holding
5 company. He could transfer Genever which is
6 actually the owner of the apartment on paper to
7 somebody else. And then we would be out of luck
8 because somebody else would be the owner of the
9 apartment. Right now, your Honor, we have met the
10 standard for an attachment. We have proven that
11 what he's trying to do with all of these
12 misrepresentations about the corporate funds that
13 he is trying to shield this apartment from us. He
14 tried to assign it to the trust in the son's name.
15 They say he never followed up on it. It never
16 went away. That's not true. He did follow up on
17 it. He sent more emails saying I'd like to change
18 the contact person to my son and the Sherry
19 Netherlands witness told me that he thought Mr.
20 Kwok was trying to end around their position that
21 he couldn't assign the actual apartment. And so
22 he did follow up on it. We have no idea what Mr.
23 Kwok is doing because they brought all discovery
24 into it. We've no idea what he might be doing to
25 the apartment. He's pledged to two other

30

1 Proceedings

2 entities. So already he could pledge again and
3 there may be a priority for somebody else. Given
4 that we've met the standard, your Honor, we
5 respectfully request that you we'll be left
6 holding a paper judgment at this point if there is
7 not a property interest that is entered for us on
8 this property.

9 MR. HARMON: Your Honor, can I respond.

10 THE COURT: Yes, go ahead.

11 MR. HARMON: This notion that Mr. Kwok
12 could transfer Genever has never been raised
13 before. It's not an argument that they ever made
14 before that's problematic to them. They harp on
15 the fact that Mr. Kwok did not say in his
16 deposition yes I will abide by the order. So if
17 it was as simple as Mr. Kwok saying -- if Mr. Kwok
18 could answer that question yes of course I'll
19 abide by the order, it's inconceivable to me
20 plaintiff would say that's great, we're all done,
21 we're satisfied now. If that's what it takes to
22 satisfy them, for Mr. Kwok say of course I will
23 abide by the order, I will have Mr. Kwok do
24 whatever your Honor says to say, yes I will comply
25 with the order of this court. That's not what

31

1 Proceedings

2 we're doing here. That's not what drives this.

3 If it were that simple it would have been resolved
4 a long time ago.

5 THE COURT: All right.

6 MR. MOSS: Just on the point where they
7 say we never raised the issue of wanting an
8 attachment of Genever. In any event on page 26 of
9 our brief we ask the court enter an order
10 attachment of residence the Genever entities and
11 any sale or proceeds from --

12 MR. HARMON: The Genever entities aren't
13 party to the action.

14 THE COURT: The Genever is not a party
15 to this action. This is what I'm going to do
16 because while the fact pattern here is very
17 problematic. I don't think the plaintiff has
18 followed up on comments made to prior oral
19 argument or the June 28th, 2018 order. I'm going
20 to order an evidentiary hearing March 28th, at
21 9:30 and we'll resolve this issue whatever factual
22 record the parties present on March 28th. And
23 that's the order of the court.

24 COURT OFFICER: Please order a copy of
25 the transcript.

32

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Proceedings

MR. MOSS: Thank you, your Honor.

MR. HARMON: Thank you.

Certified to be a true and accurate
transcript of the original stenographic
notes.



JACQUELINE CAMPBELL
SENIOR COURT REPORTER

33

<p>1</p> <p>10 - 15:22 10036 - 1:15 10158 - 1:18 10th - 1:13 11 - 16:11 12 [4] 16:10, 16:19, 16:23, 17:3 12th - 18:10 13 [2] 17:13, 18:3 14 [2] 17:13, 18:13 15 - 19:6 16 [2] 19:11, 19:11 17 - 19:21 18 [2] 20:7, 20:12 19 - 20:19</p> <p>2</p> <p>2011 - 10:9 2014 - 11:3 2015 [3] 10:20, 18:14, 18:15 2016 - 13:15 2017 - 18:16 2018 [4] 2:3, 18:8, 18:10, 31:19 2019 - 1:8 24 - 7:9 26 - 31:8 27th - 18:7 28th [4] 2:3, 31:19, 31:20, 31:22</p> <p>3</p> <p>3 - 5:14 30 [2] 14:21, 14:25</p> <p>4</p> <p>4 - 6:14</p> <p>5</p> <p>5 - 7:10 50 - 24:9</p> <p>6</p> <p>6 - 8:12 60 - 1:9 605 - 1:18 61 - 1:1 62013 - 4:9 65 - 23:3 652077-17 - 1:4 67.5 - 11:10</p> <p>7</p> <p>7 [2] 1:14, 10:2</p> <p>8</p> <p>8 [3] 1:8, 14:16, 14:21</p> <p>9</p> <p>9 [2] 15:7, 15:10 9:30 - 31:21</p> <p>A</p> <p>a/x/a [7] 1:5, 1:5, 1:6, 1:6, 1:6, 1:6, 1:6 abandoned [2] 24:25, 25:3 abide [8] 16:13, 16:16, 28:15, 28:16, 28:17, 30:16, 30:19, 30:23 able [2] 10:25, 11:5 absolutely - 21:13 abuse - 6:14 accuse - 32:4 acquiescence - 28:25 act - 23:19 action [5] 2:11, 20:3, 25:25, 31:13, 31:15 acts - 4:16</p>	<p>actual - 29:21 add [2] 2:17, 26:3 additional - 7:22 address - 22:2 administrator - 18:24 admitted - 12:21 adversary's - 28:19 affidavit [8] 6:4, 16:24, 17:10, 18:19, 18:20, 18:24, 20:17, 21:11 against - 1:4 agent - 28:10 agree [2] 25:11, 25:17 agreed [2] 25:8, 25:9 agreement [2] 10:8, 14:21 ahead - 30:10 Alliance [2] 1:2, 2:4 Allman [2] 24:4, 24:8 allow [2] 21:20, 24:6 already [5] 9:10, 11:25, 12:18, 26:17, 30:2 amend - 26:3 amending - 2:17 amises - 23:11 amount [2] 11:11, 15:2 anathema - 27:15 and/or [2] 2:8, 2:13 answered - 26:8 anticipated - 9:23 apartment [4] 7:2, 7:4, 10:14, 12:2, 12:23, 13:16, 13:17, 13:20, 13:24, 14:4, 16:21, 17:4, 17:6, 17:7, 17:20, 18:14, 19:7, 19:9, 19:24, 20:2, 20:11, 22:6, 22:9, 22:16, 22:22, 23:5, 23:5, 23:8, 24:6, 24:7, 24:15, 24:16, 24:19, 24:20, 24:23, 25:11, 25:23, 26:23, 26:25, 27:16, 27:18, 28:22, 28:24, 29:3, 29:6, 29:9, 29:13, 29:21, 29:25</p> <p>apartments [6] 10:11, 10:13, 10:15, 10:23, 11:10, 24:9</p> <p>APPRAISAL - 1:12 appears - 19:13 applied [2] 7:19, 7:20 approach - 2:24 approval [3] 11:12, 11:13, 11:15 approve [3] 21:3, 23:10, 27:5 approved [2] 23:21, 24:7 aren't - 31:12 argue - 22:21 argument [10] 8:14, 14:18, 15:3, 17:17, 18:4, 18:14, 19:22, 20:8, 30:13, 31:19 arguments - 3:5 Asia [2] 1:2, 2:5 asset - 5:19 assets [12] 6:8, 8:7, 10:21, 10:22, 10:24, 11:16, 11:24, 17:24, 17:25, 22:25, 23:3, 27:19 assign [4] 4:21, 4:22, 29:14, 29:21 assigned [2] 4:13, 4:17 assistance - 24:3 assists - 3:12 assumed [2] 22:12, 22:14 assuring [2] 2:19, 3:3 asylum - 15:17 attach [2] 2:15, 26:16 attached - 20:17 attaches [2] 19:13, 19:19 attachment [16] 2:6, 2:22, 4:10, 16:4, 16:18, 16:19, 17:15, 17:19, 17:20, 18:22, 19:5, 25:7, 26:7, 29:10, 31:8, 31:10 attempt [5] 2:16,</p>	<p>22:7, 22:24, 24:19, 27:2 attempted - 13:20 attempting [2] 2:9, 4:11 attempts - 26:25 attention - 15:15 Attorney [2] 1:13, 1:17 avail - 3:19 available - 9:16 availing - 15:18 Avenue - 1:18 avoid [2] 2:10, 25:14</p> <p>B</p> <p>Baby - 6:18 background - 10:7 balance - 11:23 BARRY - 1:10 base - 6:4 bastions - 23:14 become - 7:7 behalf - 13:5 Beijing - 10:12 believes - 2:6 benefit - 9:15 beyond - 16:3 bit [2] 15:21, 17:2 black - 9:13 board [11] 11:12, 11:13, 11:15, 11:17, 12:3, 23:13, 23:15, 23:19, 23:19, 24:5, 24:7 bogus - 6:4 Boles - 6:11 borrowed - 24:15 borrower - 14:24 brave - 22:10 breaching - 3:6 break - 13:6 brief [4] 5:14, 7:10, 22:2, 31:9 briefly [5] 5:22, 14:15, 28:3, 28:4, 28:5 briefs [2] 3:8, 9:25 bringing - 8:4 British - 18:5 brought [2] 22:21, 29:23 buildings - 23:12 bunch - 15:12 burden - 2:6 buying - 27:17 buys - 12:11 BVI [8] 7:17, 11:8, 12:12, 13:19, 13:19, 17:11, 17:12, 18:12</p> <p>C</p> <p>CAMPBELL [2] 1:22, 32:7 can't [2] 17:19, 20:8 capitalize [5] 6:25, 7:3, 11:8, 11:14, 20:25 case [11] 5:25, 6:12, 6:18, 7:9, 9:22, 13:11, 15:11, 15:15, 16:12, 26:9, 27:25 cases [3] 3:8, 5:13, 5:14 center - 20:7 centerpiece - 18:21 Centre - 1:9 Certainly - 22:17 Certified - 32:4 change - 3:13 change [3] 24:23, 27:24, 29:17 chapter - 17:5 chased - 13:18 China - 13:18 Chinese [6] 10:21, 11:16, 11:25, 14:24, 25:13, 25:13 circumstances - 5:16 circumstantial - 5:18 cited [4] 3:8, 3:9, 5:14, 9:24 city [6] 7:18, 22:22, 23:6, 23:13, 23:14, 27:4 claim [2] 2:15, 23:2 Claim - 6:22 clarification - 13:7 cleaned - 13:14 clear [2] 4:18, 8:24 clearly [2] 21:21, 22:8 client [2] 15:24,</p>	<p>15:25 closing - 12:5 Coley - 5:25 comes [3] 9:25, 9:25, 12:20 coming - 25:14 comments - 31:18 commit - 5:17 communicating - 23:25 communists - 15:14 companies [8] 4:23, 7:2, 7:4, 11:16, 11:22, 11:22, 12:16, 12:19 company [8] 6:25, 7:6, 7:8, 11:20, 12:10, 13:22, 16:22, 29:5 complainant - 6:17 complaint [3] 2:17, 26:3, 26:8 completely - 8:17 comply - 30:24 conceal - 23:7 conceded - 24:8 concluded - 8:3 conditions [4] 10:17, 11:2, 11:4, 14:19 conduct - 5:21 connection - 15:9 Connelly - 11:19 constitutes [2] 22:23, 27:2 contact - 29:18 contested - 3:5 contested - 6:9 contract - 16:16 continuing - 4:19 contract [2] 16:13, 25:24 contradictory - 6:3 control - 17:13 controlled - 21:11 convince - 21:2 coop [3] 23:18, 23:19, 27:3 cooperation - 27:12 cooperative [2] 23:12, 27:15 copies [2] 19:20, 18:8 corp - 7:17 corporate [5] 6:16, 6:24, 19:14, 24:10, 29:12 corporation [4] 7:14, 7:16, 8:2, 12:13 corporations - 19:18 correct [5] 3:7, 4:2, 19:14, 19:20, 20:17 couldn't - 29:21 counsel [3] 6:12, 27:12, 27:13 counsel's - 3:16 counsel - 27:11 COUNTY - 1:1 couple - 13:14 course [3] 17:12, 30:18, 30:22 court [45] 1:1, 1:11, 1:23, 2:2, 2:2, 2:6, 3:3, 3:10, 3:15, 5:24, 6:5, 6:9, 7:9, 7:19, 8:3, 9:6, 9:9, 10:2, 15:20, 15:24, 15:25, 16:17, 16:21, 17:9, 17:14, 17:18, 18:3, 19:4, 19:8, 20:4, 21:9, 25:16, 25:15, 25:19, 28:14, 28:19, 28:25, 30:10, 30:25, 31:5, 31:9, 31:14, 31:23, 31:24, 32:8 court's [3] 3:23, 3:25, 29:24 courts [3] 5:20, 6:23, 15:19 covered - 12:18 CPLR [3] 4:9, 6:21, 16:7 create - 15:11 created - 22:20 creditor - 22:7 creditors [5] 4:11, 8:7, 14:5, 20:23, 22:24</p> <p>D</p> <p>dead - 26:15 deadline - 10:10 deadlines - 10:17 debt [13] 5:21, 6:10, 7:7, 7:12,</p>	<p>14:6, 14:11, 14:17, 15:4, 20:24, 21:3, 21:21, 22:13, 22:14 debts - 8:2 decades - 12:15 decided - 24:5 decisions - 3:12 decision [4] 2:2, 2:4, 13:13, 25:6 deck [3] 5:15, 8:25, 10:3 defendant [3] 1:17, 21:25, 24:12 defendants [3] 1:7, 7:11, 8:5 definitive - 6:19 defraud [5] 4:11, 5:10, 22:7, 22:24, 27:2 defrauding - 8:8 demonstrates - 27:2 demonstrative [3] 3:10, 3:20, 3:24 denied - 14:16 deposed - 18:25 deposition [15] 11:21, 12:22, 13:12, 14:16, 14:20, 15:6, 17:7, 17:12, 19:15, 20:5, 20:13, 28:7, 28:11, 28:16, 30:16 depositions - 17:22 developments - 9:22 digging - 17:22 directors - 23:13 discovery [16] 2:7, 2:13, 4:3, 4:5, 4:20, 5:6, 9:16, 9:16, 16:4, 16:5, 16:16, 16:19, 26:9, 26:13, 26:20, 27:25, 29:23 discretion - 6:19 discretionary - 21:18 discussion - 27:11 disposed [2] 4:13, 4:17 dissatisfied - 24:5 dissident [2] 25:13, 25:13 document [2] 14:24, 18:8 documents [5] 9:12, 19:14, 19:17, 20:15, 20:16 dollars [3] 11:11, 14:25, 23:4 dominated - 8:6 door - 8:5 drives - 31:2 drop [2] 13:19, 13:25 dropped - 13:16 drops - 13:16 dual - [4] 14:6, 14:11, 20:24, 21:3 dynamic - 27:24</p> <p>E</p> <p>EDWARD - 1:15 effect [2] 8:8, 18:7 effort - 27:18 efforts - 11:9 egregious - 14:14 either [4] 11:9, 16:15, 19:16, 20:25 element - 7:22 emails - 29:17 employee [2] 16:25, 16:25 enables - 8:11 encumbered [3] 4:14, 4:18, 4:25 ending - 8:24 enforcement [4] 2:10, 4:12, 5:9, 5:11 enjoining - 2:19 enter [2] 25:15, 31:9 entered [7] 10:8, 21:21, 25:24, 26:14, 27:10, 27:23, 30:7 enters - 15:20 entire - 27:6 entities [8] 11:7, 19:16, 20:23, 21:10, 21:12, 30:2, 31:10, 31:12 entity [11] 11:8, 11:8, 12:23, 13:10, 19:12, 21:6, 22:10, 22:13, 22:15, 23:22, 24:14 especially - 7:7 ESQ [4] 1:15, 1:16, 1:19, 1:19 essentially [2]</p>	<p>9:19, 24:25 establish - 2:20 estate [2] 7:18, 13:3 evading - 21:22 Evangelism - 5:24 event - 31:8 everybody - 23:6 everything [2] 3:8, 10:2 evidence [29] 2:13, 4:6, 4:24, 5:12, 5:18, 6:2, 8:9, 8:16, 8:17, 8:18, 9:18, 9:20, 9:21, 9:24, 10:3, 10:6, 12:14, 13:15, 20:10, 20:22, 22:15, 22:19, 23:10, 23:18, 24:13, 26:19, 28:6, 28:10, 28:11 evidentiary - 31:20 exactly - 11:11 excuse - 16:11 execution - 26:14 existence [2] 14:17, 25:5 expensive - 22:21 explain - 8:24 extending - 10:18 extension - 11:3</p> <p>F</p> <p>facility - 15:2 factual [2] 18:23, 31:21 failed [3] 8:15, 20:24, 21:16 false [2] 2:5, 11:8 failures [4] 6:2, 6:24, 6:25, 11:14 fairly - 21:16 fairness - 21:19 false [2] 12:3, 20:25 family - 20:2 fashioned [2] 25:19, 26:17 favor [2] 3:11, 4:13 featured - 8:14 February [2] 10:20, 11:3 feel - 22:3 figure - 16:5 figured - 15:16 filed - 17:18 filing [3] 18:5, 18:12, 19:7 finds [2] 15:24, 15:25 firm - 6:11 fleets - 10:22 Florida [3] 7:13, 7:20, 7:20 focus [3] 5:7, 14:11, 14:12 follow [2] 29:16, 29:22 followed [2] 29:15, 31:18 foreign [5] 7:8, 7:16, 7:17, 12:13, 12:13 formalities - 6:24 formed [5] 7:2, 7:13, 7:16, 8:6, 20:22 former - 6:11 forms - 11:7 forum [2] 6:16, 24:11 forward - 15:8 fraud [4] 5:15, 5:17, 6:22, 7:22 fraudulent [2] 2:9, 11:15 fruitful - 4:5 frustrate [5] 4:11, 5:8, 5:11, 16:6, 16:8 fully - 27:22 fund [2] 1:2, 2:5 fundamentally - 21:20 funding - 20:2 funds [4] 19:22, 19:23, 19:25, 29:12</p> <p>G</p> <p>game - 15:5 games - 14:4 gave [3] 9:9, 19:23, 22:18 Genever [24] 2:8, 2:13, 11:7, 12:23, 12:25, 17:11, 17:12, 17:25,</p>
---	--	---	--	---	--

34

<p>17:25, 19:10, 19:12, 20:22, 21:10, 21:12, 24:6, 25:22, 25:23, 28:9, 29:5, 30:12, 31:8, 31:10, 31:12, 31:14 Generous - 2:15 gets - 27:16 gift - 14:2 given [3] 14:22, 27:15, 30:3 gives - 11:3 goes [3] 8:19, 16:22, 17:4 gonna [5] 5:16, 7:7, 10:25, 15:5, 15:19 gotten [2] 26:9, 26:13 government [2] 10:21, 11:25 granted - 25:21 grounds - 4:10 GUE - 1:6 GUI [2] 1:5, 1:6 guis [3] 1:6, 1:6, 1:6 guys - 15:12 GWO - 1:5</p> <p>H</p> <p>hallmark - 22:25 Hamptons - 7:14 handed - 9:4 handout - 9:2 HAOVUM [2] 1:6, 1:6 happen - 24:25 happened [4] 14:12, 14:13, 14:14, 27:23 happy [2] 22:2, 28:2 Harkon [3] 1:19, 2:25, 3:7, 3:11, 3:21, 9:7, 18:5, 21:24, 21:25, 30:9, 30:11, 31:12, 32:3 harness [2] 12:7, 12:8 harp - 30:14 hastily - 23:10 haven't [3] 3:13, 26:9, 26:15 having - 18:3 he'll - 16:16 he's [3] 4:18, 4:19, 4:25, 5:2, 10:25, 11:4, 14:17, 15:5, 15:17, 15:18, 15:19, 29:11, 29:25 hear - 2:22 heard - 13:11 hearing [3] 16:9, 25:4, 31:20 heart [3] 8:19, 14:7, 14:8 heavy - 2:5 held - 18:5 hide - 27:19 himself [2] 15:18, 21:21 HO [2] 1:5, 1:5 HODGSON - 1:17 holding [8] 4:22, 7:25, 12:10, 12:16, 13:22, 16:22, 29:4, 30:6 HOM - 1:10 Hong [4] 13:9, 13:9, 22:10, 23:4 Honor [40] 2:23, 2:24, 3:7, 3:12, 3:21, 3:22, 4:2, 4:3, 5:13, 6:15, 8:13, 8:25, 9:8, 15:5, 16:10, 18:6, 20:9, 20:19, 21:18, 21:23, 21:24, 22:20, 23:23, 25:4, 25:7, 25:17, 25:19, 26:2, 26:17, 26:21, 27:3, 27:19, 27:21, 28:3, 29:2, 29:9, 30:4, 30:9, 30:24, 32:2 Honor's [2] 25:12, 27:14 host - 14:7 houses - 13:3</p> <p>I</p> <p>idea [4] 3:2, 20:6, 29:22, 29:24 ignored [2] 27:14, 27:15 ignoring - 8:17 illegitimate - 15:23 impacted - 25:6 include - 10:23 included - 9:4</p>	<p>including [2] 5:3, 6:10 incoherent - 6:3 inconceivable [3] 23:15, 27:13, 30:19 incurring - 5:21 Index - 1:4 individual - 8:3 industry - 12:15 iniquity - 6:22 infer - 5:18 inferred - 5:15 inform - 16:12 information [3] 9:17, 11:13, 21:2 injunction [2] 2:18, 26:4 injustice - 6:17 ink - 9:13 inquired - 24:21 inquiring - 3:22 inquiry [2] 6:20, 24:21 inserted - 9:3 instructed [2] 16:2, 28:17 intact - 18:4 intend - 16:6 intended - 16:8 intends - 5:8 intent [5] 2:9, 2:14, 5:7, 5:10, 5:11 interest [4] 17:4, 18:25, 19:7, 30:7 interim - 18:13 International [2] 13:9, 13:10 irrefutable [2] 8:20, 8:21 irrelevant - 14:10 island - 18:5 issuance - 23:24 issue [5] 20:3, 25:7, 25:10, 31:7, 31:21 issued [3] 2:2, 16:17, 27:21 issues - 26:13</p> <p>J</p> <p>JACQUELINE [2] 1:22, 32:7 January - 10:19 Jedidiah - 17:20 judgement - 16:8 judgements - 25:15 judgment [11] 2:11, 4:12, 5:9, 15:19, 15:20, 16:6, 21:21, 26:10, 26:14, 26:15, 30:6 JULIAN - 1:19 June [6] 2:3, 11:4, 13:15, 18:7, 18:10, 31:19 jurisdiction [2] Juriel [2] 6:10 Justice - 1:11</p> <p>K</p> <p>Kane [2] 7:9, 7:11 kept - 10:18 knowledge [3] 6:6, 20:14, 21:13 known - 14:6 knows [4] 6:9, 6:15, 10:24, 18:6 Kong [4] 13:9, 13:10, 22:10, 23:4 Kwok [20] 1:5, 1:5, 1:6, 4:10, 5:8, 5:16, 7:15, 7:16, 10:9, 14:16, 15:3, 15:22, 16:6, 17:10, 21:20, 22:21, 23:16, 24:12, 25:22, 28:15, 29:20, 29:23, 30:11, 30:15, 30:17, 30:17, 30:22, 30:23 Kwok's [6] 2:8, 2:14, 10:20, 16:25, 17:3, 18:25</p> <p>L</p> <p>L.P - 1:2 lack - 5:8 later [2] 11:7, 17:2 law [2] 7:20, 7:20 laws - 15:18 lawsuit [8] 5:3, 14:9, 14:10, 14:12, 14:13, 14:15,</p>	<p>15:24, 16:21 learned [4] 4:20, 4:24, 11:14, 17:21 lent [2] 10:9, 12:24 letting - 27:9 level - 22:9 liability - 7:6 liable - 8:2 lien [2] 18:4, 18:6 liens - 10:16 likely - 21:7 liquidated - 13:19 litigation - 15:9 living - 15:17 LLC [3] 7:17, 12:11, 12:12 LLC's - 21:5 LLP - 1:14 loan [3] 10:8, 20:3, 22:14 loaned [2] 22:12, 24:14 loans - 24:17 logistics - 27:15 LP - 21:8 luck [2] 22:10, 29:7 luxury [2] 23:5, 23:5</p> <p>M</p> <p>mafia - 15:13 makes - 19:11 making - 18:2 malfeasance [2] 6:22, 7:22 manager - 24:4 March [4] 1:8, 18:16, 31:20, 31:22 MARIE - 1:19 Mark [2] 1:19, 21:25 market [2] 22:23, 26:2 matter [2] 25:8, 27:16 maybe - 11:24 meaning - 18:2 meant - 21:19 meet [3] 2:5, 8:11, 21:16 meeting - 13:5 merit [3] 26:9, 26:13, 27:25 messages [2] 15:8, 15:16 met [3] 21:17, 29:9, 30:4 MILES - 1:6 million [4] 11:10, 14:21, 14:25, 23:4 misrepresentation [6] 14:7, 16:20, 17:14, 17:23, 18:2, 29:12 misrepresented - 21:9 missed [2] 10:10, 10:16 money [26] 7:3, 7:5, 10:9, 11:6, 12:8, 12:18, 12:20, 12:22, 12:24, 14:19, 14:22, 20:4, 20:6, 21:7, 22:9, 22:11, 22:16, 22:18, 23:4, 23:7, 24:12, 24:14, 25:16, 26:22, 26:23, 28:6 months [2] 13:17, 23:24 morning - 3:23 Moss [10] 1:15, 2:23, 3:22, 9:11, 24:20, 28:3, 28:5, 29:2, 31:6, 32:2 mostly - 9:16 motion [13] 2:12, 2:21, 3:18, 6:7, 16:4, 16:18, 16:19, 17:14, 17:15, 17:18, 17:19, 18:21, 18:22, 19:5, 26:7 mounting - 6:10 mouse - 8:9 MYERS - 1:14 myself - 3:19 mystery - 23:7</p> <p>N</p> <p>national - 25:13 necessarily - 6:21 needs [2] 11:12, 11:13 negotiates - 11:2 Netherlands [17] 11:24, 12:5, 12:14, 17:8, 22:6, 23:9, 23:11, 24:2, 24:4,</p>	<p>24:10, 24:22, 24:24, 27:5, 27:7, 28:20, 28:23, 29:19 nobody [2] 20:6, 23:7 noted [2] 3:15, 7:20 notes - 32:5 nothing [6] 3:4, 3:17, 19:6, 24:11, 27:9, 27:23 notice [5] 7:24, 27:7, 28:12, 28:20, 28:22 notify - 25:24 noting - 3:13 notion [2] 27:17, 30:11 NY [2] 1:15, 1:18</p> <p>O</p> <p>O'MELVENY - 1:14 objection - 9:24 observe - 6:24 obtain [2] 12:2, 24:3 obtained [2] 11:15, 26:19 OFFICER - 31:24 onto - 8:9 open - 9:13 opening - 7:10 opportunity [3] 1:2, 2:5, 3:19 oppose - 19:24 opposition - 18:21 or - 3:18 order [31] 2:22, 3:23, 3:25, 7:23, 13:24, 14:5, 16:11, 16:14, 16:17, 23:25, 25:21, 25:22, 26:20, 27:8, 27:10, 27:14, 27:21, 27:21, 27:23, 28:12, 28:13, 28:21, 30:16, 30:19, 30:23, 30:25, 31:9, 31:19, 31:20, 31:23, 31:24 ordered - 4:3 orders - 15:25 ordinarily - 5:15 original [2] 15:2, 32:4 OUTRAGER - 1:10 outside [2] 16:15, 16:18 owe - 14:19 owed [3] 7:7, 7:12, 11:11 owns - 21:21 owing - 21:4 owned [5] 11:17, 11:20, 23:21, 24:8, 24:10 owner [2] 29:6, 29:8 owners - 24:9 ownership [3] 17:4, 19:7, 24:23 owns [6] 17:5, 19:9, 19:10, 19:12, 19:15, 25:23</p> <p>P</p> <p>Pacific [2] 1:2, 2:4 packet [4] 2:24, 3:4, 3:17, 9:5 papers [6] 3:18, 5:4, 6:18, 8:22, 10:4, 14:17 paragraph - 2:3 parked - 12:8 parties [4] 2:18, 5:5, 10:8, 31:22 party [6] 5:4, 6:17, 14:4, 26:4, 31:13, 31:14 patrona [2] 5:21, 31:16 Paul - 11:18 FAX [5] 8:15, 21:8, 22:7, 23:25, 27:13 pay [5] 7:13, 15:14, 15:19, 16:2, 16:2 pendency - 5:3 percent - 24:5 performed - 18:3 perpetrate - 6:16 personal [2] 6:6, 21:13 Phat - 6:18 phony [2] 21:1 place [2] 20:7, 26:16 pieces - 4:24 pierce - 6:14 piercing [5] 2:15,</p>	<p>14:8, 16:23, 20:21, 20:22 plaintiff [14] 1:13, 2:12, 2:16, 2:20, 7:23, 8:7, 22:17, 22:17, 24:15, 25:20, 25:24, 27:3, 30:20, 31:17 plaintiff's - 8:18 plaintiffs [6] 1:3, 8:8, 25:20, 26:24, 27:8, 27:22 play - 15:5 playing - 14:4 Please - 31:24 pled - 5:2 pledge [11] 17:24, 17:24, 18:9, 18:11, 18:16, 20:10, 20:11, 25:4, 25:6, 25:10, 30:2 pledged [11] 14:3, 17:20, 17:25, 18:15, 18:15, 18:17, 18:18, 20:8, 20:12, 20:12, 29:25 pledges [6] 5:6, 17:15, 17:16, 20:14, 21:10, 25:11 point [5] 13:12, 22:6, 28:19, 30:6, 31:6 points [2] 13:15, 29:20 position [2] 22:18, 29:20 post - 26:19 practical [2] 22:8, 27:16 Precious - 11:11 precisely - 8:25 preconditions - 10:13 prejudgment - 2:21 preliminary [3] 2:18, 8:14, 26:4 premises - 23:12 present - 31:22 presented - 26:22 preserve - 2:16 pressured [2] 12:3, 23:16 pretenses - 12:3 Price [4] 13:16, 13:17, 13:20, 13:25 principal - 14:25 prior [3] 14:17, 23:24, 31:18 priority [3] 25:8, 25:9, 30:1 privilege - 6:15 problem - 29:4 problematic [2] 30:14, 31:7 proceed - 2:7 proceedings - 5:24 proceeds [3] 11:11 process [2] 11:15, 27:6 produce - 6:2 profile [2] 23:5, 27:17 promote - 21:19 prong - 5:7 proof [2] 21:21, 22:11 proper - 26:4 property [6] 2:16, 4:14, 23:21, 26:17, 30:7, 30:8 protect [2] 21:6, 26:18 protected - 8:7 protection - 26:2 protects - 27:22 prove [4] 4:6, 4:7, 4:9, 7:23 proven - 29:10 provides - 2:13 public - 23:3 publicly - 9:16 purchase [10] 7:18, 13:4, 19:25, 21:3, 22:5, 22:16, 23:10, 23:20, 24:6, 24:18 purchased - 23:22 purchaser - 27:6 purchasing - 2:9 purported - 2:8 purpose - 12:12 putting [2] 13:22, 23:3</p> <p>Q</p> <p>quickly [3] 12:4, 18:19, 23:20 quo - 2:17 quote [2] 12:25, 15:10</p>	<p>R</p> <p>raise - 5:16 raised [3] 25:5, 30:12, 31:7 real [2] 7:18, 13:3 reality - 8:18 reason - 17:16 receive - 14:25 recommended - 11:18 record - 31:22 red - 9:19 relating - 19:17 relationship [2] 13:2, 28:8 released [3] 18:10, 18:12, 18:16 relevant [3] 8:23, 8:25, 19:4 relief - 2:20 remedy [3] 21:18, 25:19, 26:18 remove - 4:15 removing - 25:16 rendered - 4:13 renew - 2:12 renowned - 2:21 repayment - 10:10 Reporter [2] 1:23, 32:8 representation - 3:16 representations [2] 19:12, 21:11 representative [2] 12:25, 28:8 request - 30:5 require - 6:21 required [3] 5:9, 5:10, 25:22 requiring - 7:21 residence [7] 2:19, 2:19, 4:20, 20:23, 21:6, 21:8, 31:10 residency - 5:2 residents - 7:15 resolve - 31:21 resolved [2] 27:25, 31:3 respect - 7:23 respectfully - 30:5 respond - 30:9 responded - 24:24 response - 15:16 reticence [2] 25:12, 25:18 reversal - 7:25 risk - 15:21 road - 22:4 rules [2] 6:19, 15:6 RUSE - 1:17</p> <p>S</p> <p>salient - 10:6 SARNOFF - 1:16 satisfactory - 10:25 satisfied [2] 14:18, 30:21 satisfy [4] 10:17, 11:4, 11:5, 30:22 saying [2] 29:17, 30:17 says [4] 6:18, 14:24, 15:3, 30:24 scanning - 15:12 scenario - 22:20 Schiller - 6:11 scope [3] 16:4, 16:16, 16:18 searched - 15:9 SHARLES - 1:19 Secrecy - 5:19 secret - 27:18 secreted [2] 4:14, 4:18 secreting [2] 22:25, 23:2 secretive - 23:2 securing - 26:10 seek [2] 3:19, 26:4 seeking [3] 2:18, 15:17, 16:5 seel - 2:10 seized [4] 10:21, 10:23, 10:24, 11:25 Senior [2] 1:23, 32:8 sent - 29:17 settle - 10:11 settlement [2] 11:2, 14:15 shareholder - 17:10 ships [2] 17:6, 20:12 shed - 2:7 shedding - 11:10 sheet - 11:23 shell [7] 6:25, 7:2,</p>
--	--	---	---	---	---

35

<p>7:4, 7:5, 7:8, 8:6, 12:19 Sherry [20] 11:23, 12:5, 12:14, 17:8, 22:6, 22:6, 23:9, 23:11, 23:25, 24:4, 24:10, 24:22, 24:24, 27:5, 27:7, 27:10, 27:12, 28:20, 28:23, 29:18 Sherry-netherian - 21:2 shield [8] 7:6, 7:18, 11:6, 12:14, 13:24, 14:5, 20:23, 29:13 Shiny [10] 10:9, 12:24, 12:25, 13:8, 21:7, 22:12, 22:12, 22:13, 22:14, 28:8 showed - 11:23 showing - 11:16 shows [2] 15:4, 22:11 signature - 14:23 signed - 14:21 significant [2] 8:18, 12:21 signing - 12:4 simple [3] 25:2, 30:17, 31:3 simply - 3:13 sited - 7:9 sizeable - 11:23 skip - 3:24 slide [24] 3:24, 7:10, 8:12, 10:2, 14:16, 14:21, 15:6, 15:10, 15:21, 16:10, 16:11, 16:19, 16:23, 17:3, 17:13, 18:3, 18:13, 19:6, 19:11, 19:11, 19:21, 20:7, 20:12, 20:19 snipped - 8:12 sole [3] 17:10, 20:10, 20:10 somebody [6] 17:21, 21:12, 24:21, 29:7, 29:8, 30:3 someone - 6:5 somewhat - 3:18 somewhere [3] 7:5, 12:9, 12:20 son [3] 14:2, 24:23, 29:18 son's [6] 4:21, 4:23, 13:21, 13:23, 24:20, 29:14 sorry - 24:3 specific - 6:20 spent [2] 20:20, 26:16 Square - 1:14 standard [6] 4:8, 14:8, 21:16, 21:17, 29:10, 30:4 standards [2] 8:12, 8:19 stapled - 9:12 start [2] 4:8, 10:6 started - 3:25 state [3] 1:1, 4:15, 7:19 statement - 8:15 statements - 19:4 states [2] 2:4, 25:14 status [2] 2:17, 21:9 stenographic - 32:4 straight - 15:7 straightforward - 26:12 strategic - 13:13 Street - 1:9 striking - 8:13 structure [4] 8:4, 12:11, 16:22, 21:5 STUART - 1:16 stuff - 14:9 submit 21:15 submitted [4] 6:5, 16:24, 19:8, 21:10 suffice - 6:23 suggested - 26:2 summarize - 20:19 summarized - 10:3 summary - 3:4 summerize - 20:21 summerized - 7:10 support - 18:23 Supreme [2] 1:1, 1:11 Sweeney [3] 7:9, 7:11, 12:13 swore [2] 20:4, 20:5 sworn - 19:3</p>	<p>T</p> <p>taken [2] 4:2, 28:20 takes - 30:21 taking [2] 17:22, 25:15 tells - 12:5 terms [4] 5:13, 6:13, 7:21, 28:11 testified [5] 15:22, 17:9, 18:23, 21:7, 28:7 testifies - 17:2 testimony - 6:2 text [2] 15:8, 15:16 thank [6] 2:23, 3:22, 21:23, 21:24, 32:2, 32:3 themselves - 26:2 thereby - 8:8 therein - 8:3 they've - 26:19 thing [2] 4:9, 6:13 thinks [2] 15:4, 15:11 third [5] 1:18, 5:4, 5:5, 12:20, 14:3 third-party - 20:2 though - 19:19 things - 15:13 time - 24:13 Time's - 10:9 timing - 8:4 title - 10:14 titled - 25:23 today [2] 5:23, 18:7 top [3] 12:12, 17:3, 17:8 topic - 6:7 Tower - 1:14 transcript [2] 31:25, 32:4 transfer [7] 13:21, 28:21, 28:24, 29:3, 29:4, 29:5, 30:12 transfers - 5:19 translator - 19:2 trap - 19:24 tried [6] 4:18, 4:21, 4:22, 10:10, 23:7, 29:14 tries - 11:6 true [5] 19:14, 19:19, 20:17, 29:16, 32:4 trust [7] 4:21, 4:23, 8:21, 8:22, 13:21, 13:23, 29:14 truth - 13:12 turn - 9:18 twice - 5:2</p> <p>U</p> <p>uncover - 8:15 uncovered [2] 8:10, 9:20 understand [3] 12:6, 25:12, 25:18 understatement - 4:4 understood [2] 3:21, 28:13 unencumbered - 10:15 unfair - 21:20 unhappy - 24:5 unique - 24:11 United - 25:14 unprecedented [2] 12:6, 21:4 unrelated - 20:3 untort - 23:23 uses [2] 11:9, 15:18 using [2] 7:5, 12:13 utterly - 8:5</p> <p>V</p> <p>Vanguard - 5:25 veil [5] 2:14, 6:14, 16:23, 20:20, 20:22 verse - 17:5 versus [2] 7:9, 7:11 Virgin - 18:5 voluminous - 3:18 volunteered - 13:2</p> <p>W</p> <p>walk [3] 4:25, 5:22, 6:7 walked - 9:14 WAN [2] 1:5, 1:6 Wang [4] 16:23, 17:2, 17:9, 18:23 wanted [2] 12:8,</p>	<p>18:13 wanting - 31:7 we'll [3] 10:12, 30:5, 31:21 we're [8] 4:2, 5:9, 5:10, 22:3, 27:20, 30:20, 30:21, 31:2 we've [4] 21:17, 22:4, 29:24, 30:4 Weiss - 11:18 WEN [2] 1:5, 1:6 WENGUI - 1:6 weren't - 10:16 what's [4] 3:2, 3:14, 3:17, 24:2 whatever [6] 24:17, 26:18, 26:20, 26:20, 30:24, 31:21 whether [5] 5:8, 16:16, 18:4, 22:5, 25:5 whoever - 25:22 whom - 22:18 Williams - 11:19 wit - 11:9 witness [3] 12:14, 20:10, 29:19 wouldn't - 16:9 writing - 11:18 wrong [2] 6:17, 27:9 wrongdoing - 6:21</p> <p>Y</p> <p>York [20] 1:1, 1:1, 1:9, 1:9, 1:15, 1:18, 7:11, 7:15, 7:18, 7:19, 7:21, 10:22, 11:8, 12:11, 22:22, 23:6, 23:13, 23:15, 27:4, 27:18 you'll [3] 14:23, 15:10, 17:6 yourself - 7:6</p> <p>Z</p> <p>zero - 6:5</p>
--	--	--